



# 2002 Legislative Report

## 5TH DISTRICT



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Dear Neighbors,

We're glad the 2002 session of the Legislature came to a close on time this year. It is good to be back home with our families. We also appreciate this time when we are able to meet with many of you at community events and in your homes to discuss the issues that are most important to you. Unfortunately, it seems more accurate to say the Legislature "quit" rather than "finished." That has us deeply concerned.

The Legislature passed a supplemental budget, but we could not vote to support it. It is not truly balanced, despite borrowing hundreds of millions of dollars. It cuts education programs in a way that we believe is inconsistent with the Constitutional requirement that education be the paramount duty of the state. It also cuts essential services to our most vulnerable citizens while protecting the jobs of thousands of recently hired state bureaucrats. Our state budgets are badly in deficit and in debt up to their constitutional limit. Olympia can and must do better.

We believed that the budget shortfall presented us with the opportunity to reform state government. Often, difficult times provide the motivation to make needed changes for the better – changes that tend to be too difficult to make during comfortable times. We are extremely disappointed by the lack of meaningful change.

Your state government should support your efforts to build a future for your family and loved ones. Government should be responsive to the people and not controlled by special interests. Government finances must be stable so that we can invest in the education of our children, provide a helping hand up to those truly less fortunate, build public infrastructure like roads and water systems, and protect our natural environment.

Transportation continues to be a critical issue. The Legislature finally passed both statewide and regional transportation packages in an attempt to relieve the traffic congestion that is strangling our communities. Both of these proposals will require a vote of the people. Details are on page 3.

Finally, the comments we received from so many of you this session were greatly appreciated. We are already working to prepare for the 2003 legislative session, so please continue to contact us any time there's something on your mind.

Sincerely,

  
Cheryl Pflug

  
Glenn Anderson

## LEGISLATURE MISSED OPPORTUNITY TO JUMP-START ECONOMY



Our state lost an estimated 65,000 jobs in 2001. The only way to guarantee a healthy and steady stream of revenue for the state budget – and services to you the taxpayer – is to have a healthy state economy. That means protecting the jobs we have and creating new ones to replace the ones that are gone. And that means a business environment that encourages employers to invest in creating and protecting jobs.

Family-wage jobs in our community are the foundation that supports our quality of life.

The Legislature had a chance to start getting the economy back on track during this session. It would have made sense to adopt the substantial regulatory reform recommendations of the governor's "competitiveness council", a diverse group of business leaders assembled following the exodus of Boeing's headquarters from Seattle. Unfortunately, the few watered-down measures that passed don't begin to seriously address the continuing deterioration of our state's business climate. Washington is now ranked first in unemployment tax liability, first in new business failures, and fifth highest in the regulatory burden it places on employers.

We believe the best way to provide employment and opportunity now and for our future is to make Washington more competitive. We cannot afford to be left behind while other states offer a more responsive government.

## STATE PROJECTS SHOULD WAIT FOR BETTER TIMES

The 2002 supplemental capital budget was promoted as an "economic stimulus package" instead of what it really is – the debt-funded budget that pays for capital investments like public buildings and new property acquisitions. We voted against it. Many projects are indeed worthy, but we can't afford them now.

The Legislature had to raise the state's debt limit to sell the bonds needed to fund the more than \$100 million worth of additional new projects in the capital budget. Taking on more debt at a time when the state already is in a financial hole is like giving a new credit card to a person who has their other credit cards charged to the limit. It almost certainly will put our state's bond rating at risk, which will carry negative consequences, and will undermine our ability to stabilize the state's financial condition.

Our state has a constitutional debt limit for a reason, and we suspect none of you would so easily agree to take on more debt in your households - especially for pork-barrel projects that will do nothing to create jobs immediately.

## SUPPLEMENTAL BUDGET AVOIDED SETTING PRIORITIES

This supplemental budget set some disappointing new standards. It outspends the state's anticipated revenue by \$1.4 billion, *twice as much* as the June 2001 budget it was supposed to fix. Between the \$450 million it includes from the tobacco settlement sell-off, and \$325 million transferred from the state's emergency reserve fund, it also sets a new standard for using "one-time" money to pay day-to-day expenses.

There were no deep cuts in state spending. The rate of state spending growth was reduced by just \$298 million – about 1.3 percent. Overall, state spending **increased** nearly 7 percent from 1999-2001, even though our state is seeing its worst revenue decline in two decades.

This can best be described as credit-card spending at its worst. One of the most disturbing gimmicks used by budget writers was deciding to close the budget gap by borrowing against future payments by tobacco companies. That choice was fiscally irresponsible. This money could have brought stability to our public health care system for many years. Instead, it will be gone in 14 months, spent to cover operating expenses, leaving taxpayers to pay off the bonds over 30 years.

And again, there was no performance audit legislation to protect the value of your tax dollars. Instead, the governor will instruct state agencies to audit themselves.

### TOBACCO SETTLEMENT RAID: WHAT OTHERS SAY

#### "no real solution"

– *Seattle Times* editorial (3/6/02)

#### "we'll pay a high price for this gimmick"

– *South County Journal* editorial (3/14/02)

#### "a bad deal for Washington taxpayers"

– *Attorney General Christine Gregoire*

#### "terrible fiscal policy"

– *State Treasurer Mike Murphy*

# TRANSPORTATION - GETTING OUR STATE MOVING AGAIN

Anxiety, controversy, and misinformation abound when it comes to transportation discussions. We believe that elected officials cannot ignore the impact our clogged roads



have on our lives, economy, and public safety. Since the repeal of the motor vehicle excise tax, there is an enormous shortfall in transportation investment. In past years, we believed it was possible to make up that difference by taking money from the general fund budget. However, voter-approved increases in education funding, skyrocketing state health care costs,

and irresponsible state spending levels have eliminated both the surplus and emergency reserves.

Small gains were made in efficiencies and we will continue to push for more. Regardless, it will never be cheap to build roads in urban areas where land prices are high, salmon protection is a federal mandate, and mountains and lakes are a geographic fact. A way had to be found to fund critical transportation improvements in our rapidly-growing area. We negotiated and passed a two-part plan. Together, these packages should be sufficient to meet our regional needs.

**Statewide transportation package** – This part of the plan would raise about \$7.7 billion over 10 years to fund highway construction projects throughout Washington, including the remaining expansion of SR 18, SR 900, SR 202, and SR 169. It also would provide part of the money needed to expand I-405, SR 167 and SR 520.

Increased taxes to fund the plan include a 5-cent-per-gallon tax on gasoline in 2003 and a 4-cent increase in 2004. It also includes a 1 percent sales tax surcharge on new and used vehicle purchases, and a 15 percent increase in trucking fees in 2003 and a 15 percent increase in 2004.

This definitely represents “compromise legislation.” We were not happy with the increased sales tax, and the increase in trucking fees will be hard on small operators. However, after much negotiation, we believe that this bill does direct the money to critical projects. The measure will be placed before voters on the November ballot.

**Regional measure** – This landmark legislation is the result of countless hours on the part of East King County legislators. By moving forward on our own to fund regional highway improvements, the total amount of dollars needed in the statewide package will be lower and ***we can keep more of our road tax revenue for projects that make a difference in OUR daily commutes.*** Requirements built into this legislation should make cost estimates more reliable and increase accountability.

The plan will allow the councils in King, Pierce and Snohomish counties to form a regional transportation board to place a transportation measure on the ballot that would raise money earmarked for Central Puget Sound region “mega-projects” (SR 405, SR 167, SR 520 and the Alaskan Way Viaduct) and necessary improvements to related arterial roads. King County Council members are already beginning the process of creating a proposal for voter approval.

## DEATH TAX STILL ALIVE

Rep. Pflug met with Congresswoman Jennifer Dunn during the legislative session to discuss repeal of the Estate Tax. Dunn successfully led efforts in Congress to repeal the tax at the federal level, but it's still on the books in Washington. Rather than sending the money to the federal government, Washington state is now keeping the money for itself.



We led efforts in Olympia for state repeal. Unfortunately, the majority party decided against the repeal, which means the “Death Tax” will remain – for now.

## PFLUG FIGHTS FOR PUBLIC SAFETY FUNDS

Passage of Initiative 695 greatly reduced funding for cities and counties. The Legislature promised to help “backfill” part of the funding lost – and it did until this year. The proposed budget would have completely eliminated the I-695 “backfill”, which many of our local communities rely upon to subsidize police, fire and health services.

Reps. Pflug and Anderson proposed legislation to partially restore this funding. When the legislation stalled, we worked with budget writers. At the last minute, we were able to successfully restore partial funding for Sammamish and Maple Valley, which will receive a total of \$875,000. Much of the backfill is still eliminated, but we were glad that we could help soften the impact on the delivery of local public safety services.

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## ANDERSON INSISTS ON EMERGENCY PREPAREDNESS

Since the February 28 earthquake and the September 11 terrorist attacks our state's emergency communications networks have received



increased scrutiny to assure your safety. Rep. Anderson has been a leader in the efforts to assure that the state's emergency communications and E911 systems are improved and integrated to provide a seamless network statewide. These are the systems that allow state and local public safety personnel to know where to go, what the situation is and what to do in a coordinated manner. You would think that this would be an extremely important priority with our nation at war, however budget writers siphoned off over \$9 million out of the E911 and Emer-

gency Medical Service and Trauma accounts to fund the budget deficit. Rep. Anderson is committed to having these systems funded and operational so that they will work when we need them.

## SEX OFFENDER SITING REQUIREMENTS REMOVE LOCAL CONTROL

We fought against a new law that allows the Department of Social and Health Services to exempt itself from zoning laws as it attempts to site housing for the most dangerous sex offenders. The measure specifies that five counties, including King County, must have a process in place for siting facilities to house sex predators. If that process is not in place by October, the measure gives DSHS the authority to supercede all county and local land use control and place sex offenders anywhere they choose within those counties.

Two things are wrong with this. First, government should not exempt itself from the rules it makes for everyone else. It should lead by example. Second, the idea that the local community has no say as to where dangerous sex offenders should be kept is appalling. We will continue to fight for the right to protect our neighborhoods.

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